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REMARKS/ARGUMENTS

Claims 1-23 and 32 are currently pending in the instant application. Claims 24 through 31 were canceled by preliminary amendment prior to substantive examination. Claims 1-2, 12-19, and 23 are rejected under 35 U.S.C. §102(b), and claims 3-11, 20-22, and 32 are rejected under 35 U.S.C. §103(a). Applicant respectfully traverses the rejections in their entirety. Applicant thanks the Examiner for withdrawing the objection to the definitions in the specification, the objection to the drawings, and the objection to Claim 32 under 35 U.S.C. §112.

Specification Objections

Applicant has amended the Abstract to meet the requirements under MPEP §608.01(b).

Claim Rejections – 35 U.S.C. §102

Claims 1-2, 12-19, and 23 are rejected under 35 U.S.C. §102(b) as being anticipated by U.S. Patent No. 4,697,072 to Kawana ("Kawana"). The Court of Appeals for the Federal Circuit has consistently held that "Anticipation requires the presence in a single prior art reference disclosure of each and every element of the claimed invention, arranged as in the claim." Lindemann Maschinenfabirk Gmbh v. American Hoist & Derrick, 221 USPQ 481, 485 (Fed. Cir. 1984). Thus, for Kawana to anticipate any of the rejected claims, Kawana must teach, inter alia, a host computer for supplying a pseudo-random security string for a transaction, and the displaying of such a pseudo-random security string to the user. Kawana does not teach or suggest the use of a host computer for supplying a pseudo-random security string for a transaction, nor does Kawana teach or suggest displaying the pseudo-random security string to the user, nor does Kawana teach or suggest applying a user code to the displayed pseudo-random security string to generate a transaction code, as recited in independent claims 1 and 15. In fact, Kawana teaches something fundamentally different. In Kawana, all data originates in or through Kawana's "card" (reference number 1 of Figure 1); the host computer does not generate a pseudo-random string, nor does it supply the pseudo-random string to the card, nor does the card display the received pseudo-random string for the user, nor is a user code applied to this pseudo-random string to generate a transaction code. Applicant therefore asserts that Kawana fails to anticipate the rejected claims because it does not contain "disclosure of each and every element of the claimed invention, arranged as in the claim." Applicant therefore respectfully requests that the Examiner withdraw the rejection.

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Claim Rejections – 35 U.S.C. §103

Claims 3-4 are rejected under 35 U.S.C. §103(a) as being unpatentable over Kawana as applied to Claim 1, and further in view of Goldfine, U.S. Patent No. 5,343,529. Applicant respectfully traverses the rejection for at least the reasons set forth below. It is well established that, to show obviousness, all limitations must be taught or suggested by the prior art. In Re Boyka, 180 U.S.P.Q. 580, 490 F.2d 981 (CCPA 1974); MPEP § 2143.03. It is error to ignore specific limitations distinguishing over the references. In Re Boe, 184 U.S.P.Q. 38, 505 F.2d 1297 (CCPA 1974); In Re Saether, 181 U.S.P.Q. 36, 492 F.2d 849 (CCPA 1974); In Re Glass, 176 U.S.P.Q. 489, 472 F.2d 1388 (CCPA 1973). Applicant incorporates by reference the arguments set forth above with respect to Claim 1, from which Claims 3-4 depend. Neither Kawana, Goldfine, nor the combination thereof, teach or suggest all elements of the rejected claims. More particularly, neither Kawana, Goldfine, nor the combination thereof, teach or suggest the use of a host computer for supplying a pseudo-random security string for a transaction, displaying the pseudo-random security string to the user, or applying a user code to the displayed pseudo-random security string to generate a transaction code, as recited in independent Claims 1 and 15. Furthermore, Goldfine teaches away from displaying the pseudo-random security string to the user. In Column 4, lines 25-68, Goldfine describes that his system is advantageous because it protects against unauthorized users "eavesdropping" on the authentication code involved in the transaction. Goldfine even teaches that irreversible transforms (i.e. encryption) should be used to protect the data transmitted between central office and the calling telephone, as such information is otherwise subject to eavesdropping. Thus, Goldfine clearly teaches away from displaying transaction-related information, such as the pseudo-random security string, since it would be possible for an unauthorized user in the Goldfine system to take advantage of such information. Thus, the rejected claims are distinguishable over the combination of Kawana and Goldfine, and Applicant respectfully requests that the Examiner withdraw the rejection.

Claims 5 and 6 are rejected under 35 U.S.C. §103(a) as being unpatentable over Kawana as applied to Claim 1, and further in view of Bickham et al, U.S. Patent No. 5,530,438. Applicant respectfully traverses the rejection for at least the reasons set forth below. It is well established that, to show obviousness, all limitations must be taught or suggested by the prior art. In Re Boyka, 180 U.S.P.Q. 580, 490 F.2d 981 (CCPA 1974); MPEP § 2143.03. It is error to ignore specific limitations distinguishing over the references. In Re Boe, 184 U.S.P.Q. 38, 505

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F.2d 1297 (CCPA 1974); In Re Saether, 181 U.S.P.Q. 36, 492 F.2d 849 (CCPA 1974); In Re

Glass, 176 U.S.P.Q. 489, 472 F.2d 1388 (CCPA 1973). Applicant incorporates by reference the

arguments set forth above with respect to Claim 1, from which Claims 5 and 6 depend. Neither

Kawana, Bickham, nor the combination thereof, teach or suggest all elements of the rejected

claims. More particularly, neither Kawana, Bickham, nor the combination thereof, teach or

suggest the use of a host computer for supplying a pseudo-random security string for a

transaction, displaying the pseudo-random security string to the user, or applying a user code to

the displayed pseudo-random security string to generate a transaction code, as recited in

independent Claims 1 and 15. Thus, the rejected claims are distinguishable over the combination

of Kawana and Bickham, and Applicant respectfully requests that the Examiner withdraw the

rejection.

     Claims 7-9 are rejected under 35 U.S.C. §103(a) as being unpatentable over Kawana as

applied to Claim 1, and further in view of Lee, U.S. Patent No. 6,748,367. Applicant

respectfully traverses the rejection for at least the reasons set forth below. It is well established

that, to show obviousness, all limitations must be taught or suggested by the prior art. In Re

Boyka, 180 U.S.P.Q. 580, 490 F.2d 981 (CCPA 1974); MPEP § 2143.03. It is error to ignore

specific limitations distinguishing over the references. In Re Boe, 184 U.S.P.Q. 38, 505 F.2d

1297 (CCPA 1974); In Re Saether, 181 U.S.P.Q. 36, 492 F.2d 849 (CCPA 1974); In Re Glass,

176 U.S.P.Q. 489, 472 F.2d 1388 (CCPA 1973). Applicant incorporates by reference the

arguments set forth above with respect to Claim 1, from which Claims 7-9 depend. Neither

Kawana, Lee, nor the combination thereof, teach or suggest all elements of the rejected claims.

More particularly, neither Kawana, Lee, nor the combination thereof, teach or suggest the use of

a host computer for supplying a pseudo-random security string for a transaction, displaying the

pseudo-random security string to the user, or applying a user code to the displayed pseudo-

random security string to generate a transaction code, as recited in independent Claims 1 and 15.

Thus, the pending claims are distinguishable over the combination of Kawana and Lee, and

Applicant respectfully requests that the Examiner withdraw the rejection.

     Claims 10-11 are rejected under 35 U.S.C. §103(a) as being unpatentable over Kawana as

applied to Claim 1, and further in view of Bickham and Lee. Applicant respectfully traverses the

rejection for at least the reasons set forth below. It is well established that, to show obviousness,

all limitations must be taught or suggested by the prior art. In Re Boyka, 180 U.S.P.Q. 580, 490

F.2d 981 (CCPA 1974); MPEP § 2143.03. It is error to ignore specific limitations distinguishing

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PAGE 12/15 * RCVD AT 3/20/2006 4:05:01 PM [Eastern Standard Time] * SVR:USPTO-EFXRF-3/12 * DNIS:2738300 * CSID:703 749 1302 * DURATION (mm-ss):06-22

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over the references. In Re Boe, 184 U.S.P.Q. 38, 505 F.2d 1297 (CCPA 1974); In Re Saether, 181 U.S.P.Q. 36, 492 F.2d 849 (CCPA 1974); In Re Glass, 176 U.S.P.Q. 489, 472 F.2d 1388 (CCPA 1973). Applicant incorporates by reference the arguments set forth above with respect to Claim 1, from which Claims 10 and 11 depend. Neither Kawana, Bickham, Lee, nor the combination thereof, teach or suggest all elements of the rejected claims. More particularly, neither Kawana, Bickham, Lee, nor the combination thereof, teach or suggest the use of a host computer for supplying a pseudo-random security string for a transaction, displaying the pseudo-random security string to the user, or applying a user code to the displayed pseudo-random security string to generate a transaction code, as recited in independent Claims 1 and 15. Thus, the pending claims are distinguishable over the combination of Kawana, Bickham, and Lee, and Applicant respectfully requests that the Examiner withdraw the rejection.

Claim 20 is rejected under 35 U.S.C. §103(a) as being unpatentable over Kawana as applied to Claim 1, and further in view of Goldfine. Applicant respectfully traverses the rejection for at least the reasons set forth below. It is well established that, to show obviousness, all limitations must be taught or suggested by the prior art. In Re Boyka, 180 U.S.P.Q. 580, 490 F.2d 981 (CCPA 1974); MPEP § 2143.03. It is error to ignore specific limitations distinguishing over the references. In Re Boe, 184 U.S.P.Q. 38, 505 F.2d 1297 (CCPA 1974); In Re Saether, 181 U.S.P.Q. 36, 492 F.2d 849 (CCPA 1974); In Re Glass, 176 U.S.P.Q. 489, 472 F.2d 1388 (CCPA 1973). Applicant incorporates by reference the arguments set forth above with respect to Claim 15, from which Claim 20 depends. Neither Kawana, Goldfine, nor the combination thereof, teach or suggest all elements of the rejected claims. More particularly, neither Kawana, Goldfine, nor the combination thereof, teach or suggest the use of a host computer for supplying a pseudo-random security string for a transaction, displaying the pseudo-random security string to the user, or applying a user code to the displayed pseudo-random security string to generate a transaction code, as recited in independent Claims 1 and 15. Thus, the pending claims are distinguishable over the combination of Kawana and Goldfine, and Applicant respectfully requests that the Examiner withdraw the rejection.

Claim 21 and 22 are rejected under 35 U.S.C. §103(a) as being unpatentable over Kawana as applied to Claim 1, and further in view of Lee. Applicant respectfully traverses the rejection for at least the reasons set forth below. It is well established that, to show obviousness, all limitations must be taught or suggested by the prior art. In Re Boyka, 180 U.S.P.Q. 580, 490 F.2d 981 (CCPA 1974); MPEP § 2143.03. It is error to ignore specific limitations distinguishing

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over the references. In Re Boe, 184 U.S.P.Q. 38, 505 F.2d 1297 (CCPA 1974); In Re Saether, 181 U.S.P.Q. 36, 492 F.2d 849 (CCPA 1974); In Re Glass, 176 U.S.P.Q. 489, 472 F.2d 1388 (CCPA 1973). Applicant incorporates by reference the arguments set forth above with respect to Claim 15, from which Claims 21 and 22 depend. Neither Kawana, Lee, nor the combination thereof, teach or suggest all elements of the rejected claims. More particularly, neither Kawana, Lee, nor the combination thereof, teach or suggest the use of a host computer for supplying a pseudo-random security string for a transaction, displaying the pseudo-random security string to the user, or applying a user code to the displayed pseudo-random security string to generate a transaction code, as recited in independent Claims 1 and 15.

Claim 32 is rejected under 35 U.S.C. §103(a) as being unpatentable over Kawana as applied to Claim 1, and further in view of Wilder, U.S. Patent No. 5,408,417. Applicant respectfully traverses the rejection for at least the reasons set forth below. It is well established that, to show obviousness, all limitations must be taught or suggested by the prior art. In Re Boyka, 180 U.S.P.Q. 580, 490 F.2d 981 (CCPA 1974); MPEP § 2143.03. It is error to ignore specific limitations distinguishing over the references. In Re Boe, 184 U.S.P.Q. 38, 505 F.2d 1297 (CCPA 1974); In Re Saether, 181 U.S.P.Q. 36, 492 F.2d 849 (CCPA 1974); In Re Glass, 176 U.S.P.Q. 489, 472 F.2d 1388 (CCPA 1973). Applicant incorporates by reference the arguments set forth above with respect to Claim 1, from which Claim 32 depends. Neither Kawana, Wilder, nor the combination thereof, teach or suggest all elements of the rejected claims. More particularly, neither Kawana, Wilder, nor the combination thereof, teach or suggest the use of a host computer for supplying a pseudo-random security string for a transaction, displaying the pseudo-random security string to the user, or applying a user code to the displayed pseudo-random security string to generate a transaction code, as recited in independent Claims 1 and 15. Thus, the pending claims are distinguishable over the combination of Kawana and Wilder, and Applicant respectfully requests that the Examiner withdraw the rejection.

The Court of Appeals for the Federal Circuit has consistently held that where a claim is dependent upon a valid independent claim, the independent claim is a fortiori valid because it contains all the limitations of the independent claim plus further limitations. See, e.g., Hartness Intern. Inc. v. Simplimatic Engineering Co., 819 F.2d 1100, 1108 (Fed. Cir. 1987). Applicant reasserts the arguments above for each of the dependent claims, and respectfully requests that the Examiner withdraw the rejection of the dependent claims.
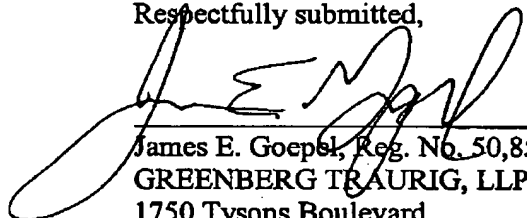
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CONCLUSION

     Having responded to all objections and rejections set forth in the outstanding Office Action, it is submitted that Claims 1-23 and 32 are in condition for allowance and Notice to that effect is respectfully solicited. Additional distinctions may exist between the invention as recited in the pending claims and the references cited by the Examiner, and Applicant respectfully reserves the right to assert these arguments in response to a future Office Action. In the event that the Examiner is of the opinion that a brief telephone or personal interview will facilitate allowance of one or more of the above claims, he is courteously requested to contact applicant's undersigned representative.

Respectfully submitted,

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